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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 8, 2000

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS000285

GRAPHIC ARTS BENEFIT
CORPORATION,

Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia provides, inter alia, that the Commission may suspend or revoke the license of any insurance company to transact the business of insurance in the Commonwealth of Virginia whenever the Commission finds that the company is insolvent, or is in a condition that any further transaction of business in this Commonwealth is hazardous to its policyholders, creditors, and public in this Commonwealth;

WHEREAS, § 38.2-4214 of the Code of Virginia provides, inter alia, that health services plans are subject to the provisions of § 38.2-1040 of the Code of Virginia;

WHEREAS, Graphic Arts Benefit Corporation ("Defendant") is a foreign corporation domiciled in the State of Maryland and

licensed by the Commission to transact the business of a health services plan in the Commonwealth of Virginia;

WHEREAS, § 38.2-4208 D of the Code of Virginia provides, inter alia, that the minimum level for the contingency reserves of a health services plan shall not exceed forty-five days of the anticipated operating expenses and incurred claims expense; and

WHEREAS, the Quarterly Statement of Defendant, dated June 30, 2000, and filed with the Commission's Bureau of Insurance, indicates that Defendant's contingency reserve is \$1,112,490, which amount is \$178,884 less than Defendant's required contingency reserve of \$1,291,374;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to November 14, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 14, 2000, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.